

## Commodity Credit Corporation, USDA

## § 1436.11

bushel cost established by the FSA State committee.

(b) The net cost for storage facilities and handling equipment may include the following: all real estate lien related fees paid by the borrower, including attorney fees, except for filing fees, environmental and historic review fees including archaeological study fees, the facility purchase price, sales tax, shipping, delivery charges, site preparation costs, installation cost, material and labor for concrete pads and foundations, material and labor for electrical wiring, electrical motors, off-farm paid labor, on farm site preparation and construction equipment costs not to exceed commercial rates approved by the county committee, and new on-farm material approved by the county committee. The net cost shall not include secondhand material or any other item that is determined by the approving authority to be ineligible for loan.

(c) The maximum principal amount of any farm storage facility loan shall be 85 percent of the net cost of the applicant's needed storage or handling equipment not to exceed \$100,000 for each borrower signing the note and security agreement. Unless otherwise approved by CCC, borrowers shall be considered to be separate persons or borrowers for purposes of applying the preceding sentence only to the extent that they would normally be considered a separate person under the rules set out in 7 CFR part 1400.

(d) The aggregate outstanding balance of all facility loans for any one borrower signing the note and security agreement may not exceed \$100,000.

(e) When a storage structure has a larger capacity than the applicant's needed capacity, as determined by CCC, the net cost eligible for a loan shall be prorated. Only costs associated with the applicant's needed storage capacity will be considered eligible for loan under this part.

(f) When a flat storage structure has space that is not used primarily for facility loan commodity storage, such as office space, the loan amount shall be adjusted for the ineligible space as determined by CCC.

(g) The FSA county committee may approve applications, if loan funds are

available, up to the maximum approval amount unless the FSA State committee establishes a lower limit for county committee approval authority.

(h) Farm storage facility loan approvals will expire in 4 months after the date of approval unless extended in writing for an additional 4 months by the FSA State Committee. Sugar storage facility loan approvals will expire in 8 months after the date of approval unless extended in writing for an additional 4 months by the FSA State Committee.

(i) CCC may at any time refuse to make new loans.

(j) For sugar-related facility loans, paragraphs (c) and (d) and (g) do not apply.

(k) For sugar-related facility loans, the Agency approval officials may only approve loans, subject to available funds.

[66 FR 4612, Jan. 18, 2001, as amended at 67 FR 54939, Aug. 26, 2002]

### § 1436.10 Down payment.

(a) A minimum down payment representing the difference between the net cost of the storage facility and the amount of the loan determined in accordance with § 1436.9 shall be made by the loan applicant to the supplier or contractor before the loan is disbursed.

(b) The down payment shall be in cash unless some other form of payment is approved by CCC. The down payment may be obtained by the borrower from another lending source.

(c) The down payment may not include any trade-in, discount, rebate, credit, deferred payment, post-dated check, or promissory note to the supplier or contractor.

### § 1436.11 Disbursement and assignments.

(a) Disbursement of the loan by CCC will be made after the farm storage facility has been delivered, erected, constructed, assembled, or installed and a CCC representative has inspected and approved such facility.

(b) Disbursement will be made only if the borrower furnishes satisfactory evidence of the total cost of the facility and payment of all debts on the facility in excess of the amount of the loan.